

CURRENCYSHARES SWEDISH KRONA TRUST

Form 424B3

March 12, 2012

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Filed Pursuant to Rule 424(b)(3)

Registration No. 333-159964

Prospectus Supplement No. 1

(to Prospectus dated January 24, 2012)

5,800,000 SHARES

CURRENCYSHARES® SWEDISH KRONA TRUST

This Prospectus Supplement No. 1 amends and supplements our prospectus dated January 24, 2012 (the Prospectus) and should be read in conjunction with, and must be delivered with, the Prospectus.

This Prospectus Supplement No. 1 includes the attached Quarterly Report on Form 10-Q for the quarter ended January 31, 2012 filed by us with the Securities and Exchange Commission.

The Prospectus remains unchanged in all other respects.

The date of this Prospectus Supplement is March 12, 2012

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington D.C. 20549

FORM 10-Q

**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended January 31, 2012

or

**“ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 001-32908

CurrencyShares[®] Swedish Krona Trust

Sponsored by Rydex Specialized Products LLC,

d/b/a Rydex Investments

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(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of
incorporation or organization)

No. 56-6666926
(IRS Employer Identification No.)

805 King Farm Boulevard, Suite 600

Rockville, Maryland **20850**
(Address of principal executive offices) (Zip Code)
(301) 296-5100

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (d232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of large accelerated filer, accelerated filer, non-accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****CurrencyShares® Swedish Krona Trust****Statements of Financial Condition**

	January 31, 2012 (Unaudited)	October 31, 2011
<u>Assets</u>		
Current Assets:		
Swedish Krona deposits, interest bearing	\$ 80,361,085	\$ 92,321,060
Swedish Krona deposits, non-interest bearing		
Receivable from accrued interest	119,710	174,021
 Total Current Assets	 \$ 80,480,795	 \$ 92,495,081
<u>Liabilities, Redeemable Capital Shares and Shareholders' Equity</u>		
Current Liabilities:		
Swedish Krona deposits, non-interest bearing, overdrawn	\$ 3,904	\$ 22,755
Accrued Sponsor's fee	28,442	37,292
 Total Current Liabilities	 32,346	 60,047
Commitments and Contingent Liabilities (note 8)		
Redeemable Capital Shares, at redemption value, no par value, 7,500,000 authorized 550,000 and 600,000 issued and outstanding, respectively	80,448,449	92,435,034
Shareholders' Equity:		
Retained Earnings		
Cumulative Translation Adjustment		
 Total Liabilities, Redeemable Capital Shares and Shareholders' Equity	 \$ 80,480,795	 \$ 92,495,081

See Notes to Financial Statements.

Table of Contents**CurrencyShares® Swedish Krona Trust****Statements of Income and Comprehensive Income****(Unaudited)**

	Three months ended January 31, 2012	Three months ended January 31, 2011
<u>Income</u>		
Interest Income	\$ 387,971	\$ 133,754
Total Income	387,971	133,754
<u>Expenses</u>		
Sponsor's fee	(86,806)	(54,571)
Total Expenses	(86,806)	(54,571)
Net Income	\$ 301,165	\$ 79,183
Other Comprehensive Income:		
Currency translation adjustment	411	4,369
Total Comprehensive Income	\$ 301,576	\$ 83,552
Basic and Diluted Earnings per Share	\$ 0.51	\$ 0.22
Weighted-average Shares Outstanding	587,500	366,304
Cash Dividends per Share	\$ 0.54	\$ 0.17

See Notes to Financial Statements.

Table of Contents**CurrencyShares® Swedish Krona Trust****Statements of Changes in Shareholders' Equity**

	Three months ended January 31, 2012 (Unaudited)	Year ended October 31, 2011
Retained Earnings, Beginning of Period	\$	\$
Net Income	301,165	1,210,990
Distributions Paid	(318,102)	(1,118,767)
Adjustment of redeemable capital shares to redemption value	16,937	(92,223)
Retained Earnings, End of Period	\$	\$
Cumulative Translation Adjustment, Beginning of Period	\$	\$
Currency translation adjustment	411	23,878
Adjustment of redeemable capital shares to redemption value	(411)	(23,878)
Cumulative Translation Adjustment, End of Period	\$	\$

See Notes to Financial Statements.

Table of Contents**CurrencyShares® Swedish Krona Trust****Statements of Cash Flows****(Unaudited)**

	Three months ended January 31, 2012	Three months ended January 31, 2011
Cash flows from operating activities		
Cash received for accrued income	\$ 433,448	\$ 119,713
Cash paid for expenses	(93,766)	(57,058)
Net cash provided by operating activities	339,682	62,655
Cash flows from financing activities		
Cash received to purchase redeemable shares		
Cash paid to redeem redeemable shares	(7,299,488)	(7,332,202)
Cash paid for distributions	(318,102)	(62,170)
Net cash used in financing activities	(7,617,590)	(7,394,372)
Adjustment to period cash flows due to currency movement	(4,663,216)	2,128,827
Decrease in cash	(11,941,124)	(5,202,890)
Cash at beginning of period	92,298,305	59,357,089
Cash at end of period	\$ 80,357,181	\$ 54,154,199
Reconciliation of net income to net cash provided by operating activities		
Net Income	\$ 301,165	\$ 79,183
Adjustments to reconcile net income to net cash provided by operating activities:		
Receivable from accrued interest	(119,710)	(50,785)
Prior period receivable from accrued interest	174,021	34,497
Currency translation adjustment	(6,944)	1,523
Accrued sponsor fee	28,442	18,404
Prior period accrued sponsor fee	(37,292)	(20,167)
Net cash provided by operating activities	\$ 339,682	\$ 62,655

See Notes to Financial Statements.

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CurrencyShares® Swedish Krona Trust

Notes to Financial Statements

(Unaudited)

1. Organization and Description of the Trust

The CurrencyShares® Swedish Krona Trust (the Trust) was formed under the laws of the State of New York on June 8, 2006 when Rydex Specialized Products LLC d/b/a Rydex Investments (the Sponsor) deposited 1,000 Swedish Kronor in the Trust's primary deposit account held by JPMorgan Chase Bank, N.A., London Branch (the Depository). The Sponsor is a Delaware limited liability company whose sole member is Security Investors, LLC (also d/b/a Rydex Investments). The Sponsor is responsible for, among other things, overseeing the performance of The Bank of New York Mellon (the Trustee) and the Trust's principal service providers, including the preparation of financial statements. The Trustee is responsible for the day-to-day administration of the Trust.

The investment objective of the Trust is for the Trust's shares (the Shares) to reflect the price of the Swedish Krona plus accrued interest less the Trust's expenses and liabilities. The Shares are intended to provide investors with a simple, cost-effective means of gaining investment benefits similar to those of holding Swedish Kronor. The Trust's assets primarily consist of Swedish Kronor on demand deposit in two deposit accounts maintained by the Depository: a primary deposit account which may earn interest and a secondary deposit account which does not earn interest. The secondary deposit account is used to account for any interest that may be received and paid out on creations and redemptions of blocks of 50,000 Shares (Baskets). The secondary account is also used to account for interest earned, if any, on the primary deposit account, pay Trust expenses and distribute any excess interest to holders of Shares (Shareholders) on a monthly basis.

The accompanying unaudited financial statements were prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions for Form 10-Q. In the opinion of management, all material adjustments, consisting only of normal recurring adjustments, considered necessary for a fair statement of the interim period financial statements have been made. Interim period results are not necessarily indicative of results for a full-year period. These financial statements and the notes thereto should be read in conjunction with the Trust's financial statements included in the Form 10-K as filed on January 13, 2012.

2. Significant Accounting Policies

A. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of the assets, liabilities and disclosures of contingent liabilities at the date of the financial statements, the reported amounts of revenue and expenses during the period and the evaluation of subsequent events through the issuance date of the financial statements. Actual results could differ from those estimates.

B. Foreign Currency Translation

The Trustee calculates the Trust's net asset value (NAV) each business day, as described in Note 4. Swedish Krona deposits (cash) are translated for NAV calculation purposes at the Closing Spot Rate, which is the Swedish Krona/USD exchange rate as determined by The World Markets Company PLC, a State Street business, at 4:00 PM (London fixing) on each day that NYSE Arca is open for regular trading.

The functional currency of the Trust is the Swedish Krona in accordance with generally accepted accounting standards. For financial statement reporting purposes, the U.S. Dollar is the reporting currency. As a result, the financial records of the Trust are translated from Swedish Kronor to USD. The Closing Spot Rate on the last day of the period is used for translation in the statements of financial condition. The average Closing Spot Rate for the period is used for translation in the statements of income and comprehensive income and the statements of cash flows. Any currency translation adjustment is included in comprehensive income.

C. Federal Income Taxes

The Trust is treated as a grantor trust for federal income tax purposes and, therefore, no provision for federal income taxes is required. Interest, gains and losses are passed through to the Shareholders.

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Shareholders generally will be treated, for U.S. federal income tax purposes, as if they directly owned a pro-rata share of the assets held in the Trust. Shareholders also will be treated as if they directly received their respective pro-rata portion of the Trust's income, if any, and as if they directly incurred their respective pro-rata portion of the Trust's expenses. The acquisition of Shares by a U.S. Shareholder as part of a creation of a Basket will not be a taxable event to the Shareholder.

The Sponsor's fee accrues daily and is payable monthly. For U.S. federal income tax purposes, an accrual-basis U.S. Shareholder generally will be required to take into account as an expense its allocable portion of the USD-equivalent of the amount of the Sponsor's fee that is accrued on each day, with such USD-equivalent being determined by the currency exchange rate that is in effect on the respective day. To the extent that the currency exchange rate on the date of payment of the accrued amount of the Sponsor's fee differs from the currency exchange rate in effect on the day of accrual, the U.S. Shareholder will recognize a currency gain or loss for U.S. federal income tax purposes.

The Trust does not expect to generate taxable income except for interest income (if any) and gain (if any) upon the sale of Swedish Kronor. A non-U.S. Shareholder generally will not be subject to U.S. federal income tax with respect to gain recognized upon the sale or other disposition of Shares, or upon the sale of Swedish Kronor by the Trust, unless: (1) the non-U.S. Shareholder is an individual and is present in the United States for 183 days or more during the taxable year of the sale or other disposition, and the gain is treated as being from United States sources; or (2) the gain is effectively connected with the conduct by the non-U.S. Shareholder of a trade or business in the United States.

A non-U.S. Shareholder's portion of any interest income earned by the Trust generally will not be subject to U.S. federal income tax unless the Shares owned by such non-U.S. Shareholder are effectively connected with the conduct by the non-U.S. Shareholder of a trade or business in the United States.

D. Revenue Recognition

Interest on the primary deposit account, if any, accrues daily as earned and is received on a monthly basis.

E. Dividends

To the extent that the interest earned by the Trust exceeds the sum of the Sponsor's fee for the prior month plus other Trust expenses, if any, the Trust will distribute, as a dividend (herein referred to as dividends or distributions), the excess interest earned in Swedish Kronor effective on the first business day of the subsequent month. The Trustee will direct that the excess Swedish Kronor be converted into USD at a prevailing market rate and the Trustee will distribute the USD as promptly as practicable to Shareholders on a pro-rata basis (in accordance with the number of Shares that they own). An income distribution of \$0.15895 per share with an ex-dividend date of February 1, 2012 was paid on February 8, 2012.

3. Swedish Krona Deposits

Swedish Krona principal deposits are held in a Swedish Krona-denominated, interest-bearing demand account. For the three months ended January 31, 2012, there were no Swedish Krona principal deposits and there were Swedish Krona principal redemptions of 49,746,433, resulting in an ending Swedish Krona principal balance of 547,210,776. This equates to 80,361,085 USD. For the year ended October 31, 2011, there were Swedish Krona principal deposits of 795,942,946 and Swedish Krona principal redemptions of 596,957,210, resulting in an ending Swedish Krona principal balance of 596,957,209. This equates to 92,321,060 USD.

Net interest, if any, associated with creation and redemption activity is held in a Swedish Krona-denominated non-interest-bearing account, and any balance is distributed in full as part of the monthly income distributions, if any.

4. Redeemable Capital Shares

Shares are classified as redeemable for financial statement purposes, since they are subject to redemption. Shares are issued and redeemed continuously in Baskets in exchange for Swedish Kronor. Individual investors cannot purchase or redeem Shares in direct transactions with the Trust. Only Authorized Participants (as defined below) may place orders to create and redeem Baskets. An Authorized Participant is a Depository Trust Company (DTC) participant that is a registered broker-dealer or other institution eligible to settle securities transactions

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through the book-entry facilities of DTC and which has entered into a contractual arrangement with the Trust and the Sponsor governing, among other matters, the creation and redemption process. Authorized Participants may redeem their Shares at any time in Baskets.

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Due to expected continuing creations and redemptions of Baskets and the three-day period for settlement of each creation or redemption, the Trust reflects Shares created as a receivable. Shares redeemed are reflected as a liability on the trade date. Outstanding Shares are reflected at a redemption value, which is the NAV per Share at the period end date. Adjustments to redeemable capital Shares at redemption value are recorded against retained earnings or, in the absence of retained earnings, by charges against the cumulative translation adjustment.

Activity in redeemable capital Shares is as follows:

	Three months ended January 31, 2012 (Unaudited)		Year ended October 31, 2011	
	Shares	U.S. Dollar Amount	Shares	U.S. Dollar Amount
Opening balance	600,000	\$ 92,435,034	400,000	\$ 59,371,419
Shares issued			800,000	122,518,517
Shares redeemed	(50,000)	(7,299,488)	(600,000)	(91,889,058)
Adjustment to period Shares due to currency movement and other		(4,687,097)		2,434,156
Ending balance	550,000	\$ 80,448,449	600,000	\$ 92,435,034

The Trustee calculates the Trust's NAV each business day. To calculate the NAV, the Trustee subtracts the Sponsor's accrued fee through the previous day from the Swedish Kronor held by the Trust (including all unpaid interest accrued through the preceding day) and calculates the value of the Swedish Kronor in USD based upon the Closing Spot Rate. If, on a particular evaluation day, the Closing Spot Rate has not been determined and announced by 6:00 PM (London time), then the most recent Closing Spot Rate will be used to determine the NAV of the Trust unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate to use as the basis for the valuation. If the Trustee and the Sponsor determine that the most recent Closing Spot Rate is not an appropriate basis for valuation of the Trust's Swedish Kronor, they will determine an alternative basis for the valuation. The Trustee also determines the NAV per Share, which equals the NAV of the Trust, divided by the number of outstanding Shares. Shares deliverable under a purchase order are considered outstanding for purposes of determining NAV per Share; Shares deliverable under a redemption order are not considered outstanding for this purpose.

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5. Sponsor's Fee

The Sponsor's fee accrues daily at an annual nominal rate of 0.40% of the Swedish Kronor in the Trust (including all unpaid interest but excluding unpaid fees, each as accrued through the immediately preceding day) and is paid monthly.

The Sponsor assumes and pays the following administrative and marketing expenses incurred by the Trust: the Trustee's monthly fee, NYSE Arca listing fees, SEC registration fees, typical maintenance and transaction fees of the Depository, printing and mailing costs, audit fees and expenses, up